

State of Alaska FY2003 Governor's Operating Budget

Department of Revenue Child Support Enforcement BRU/Component Budget Summary

BRU/Component: Child Support Enforcement

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

Contact: Barbara Miklos, Director

Tel: (907) 269-6800 **Fax:** (907) 269-6868 **E-mail:** Barbara_Miklos@revenue.state.ak.us

Component Mission

The mission of the Child Support Enforcement Division is to ensure that children receive the child support due them.

Component Services Provided

The Child Support Enforcement Division (CSED) collects and dispenses child support payments to families that have applied for services or are covered by a court order. The division also collects support on behalf of the State of Alaska for families that are on the Alaska Temporary Assistance Program, Medicaid or have children in state custody and for tribal organizations collecting and dispensing public assistance. Collecting and providing child support payments requires a complex system of services to establish paternity and child support orders and modify and enforce orders. CSED is enforcing approximately 38,000 child support orders.

Component Goals and Strategies

1. Increase the cost-effectiveness ratio of CSED, which is the total operating budget of the division compared to the total amount of collections

Automate processes to locate noncustodial parents.

- Increase information on the computer so automated enforcement actions will be taken.
- Utilize automated financial data matches.
-

2. Increase the percentage of current child support collected

Increase the number of interstate cases with direct withholding.

- Increase contact with paying parents to ensure orders are set at accurate amounts.
- Increase outreach to parents for order modifications and vacating default orders.
- Increase the number of employers reporting new hires to CSED.
-

3. Reduce the number of child support administrative orders and order modifications that are appealed compared to the total number of new administrative orders and modifications issued during the year

Maintain the quality assurance programs in establishment and modifications.

-
4. Reduce the number of cases where adjustments are overdue by 30 days or more

Continue to reduce backlog numbers in the accounting section.

-
5. Increase the percentage of cases in which there are child support orders

Increase the number of cases without orders that are closed appropriately.

- Maintain production standards in the establishment section.
-

6. Increase the number of cases with arrearages that have collections as compared to the total number of cases with arrearages

Continue arrearage collection efforts through third-party contractors.

- Maintain community outreach program.
-

Key Component Issues for FY2002 – 2003

- Child support is more critical as more families continue to leave public assistance. The bulk of child support is distributed to families that were formerly on public assistance. CSED must continue to focus on getting child support to all parents as quickly as possible. At the same time, it is important to be responsive and fair to non-custodial parents.
- Recent changes in federal regulations require child support agencies to change the way we enforce medical support orders. This means we must revise state laws and change procedures. We will also educate employers and parents about the new requirements.
- Automation and system changes continue to be priorities. For the past few years, CSED has focused on meeting federal requirements for an automated case management system. Although we have achieved compliance, a great deal needs to be done to make the system more user friendly and accomplish tasks automatically. We will improve the system at the same time we are upgrading it to avoid obsolescence.

Major Component Accomplishments in 2001

- Reduced backlogs in all sections. Most notably, at the end of FY00, the accounting section had more than 3,000 actions more than 30 days old. At the end of FY01, there were fewer than 300 actions.
- Automating federal employment data in FY01 means that we can automatically send out withholding orders to out-of-state employers. This has increased collections.
- Full implementation of the match program with financial institutions has increased collections.
- Improved coordination between CSED and DFYS allows us to set up foster care cases quicker and more accurately.
- Newly adopted policies, procedures and regulations ensure consistency and clarity in CSED operations.
- Federally required changes to the financial portion of CSED's computer system were completed.
- CSED helped establish a new family pro-se center opened by the Court System.
- CSED implemented a new receipt imaging system that reduces the turnaround time for recording payments and mailing checks, and improves accounting controls.
- In FY01, collections were \$90,902,600. This was \$5,471,900 more than FY00.
- CSED continues to improve our web site, which provides information and access to CSED forms.
- In August 2000, more than 4,500 employers were reporting newly hired staff to CSED. This was a dramatic increase over prior months.
- CSED collected \$390.1 per employee in FY2001, up from \$366.2 in FY1999.
- CSED disbursed over \$16.5 million to states and the federal government as reimbursement for public assistance and foster care payments.

Statutory and Regulatory Authority

AS 25.25
 AS 25.27
 AAC 15.05
 AAC 15.125

Federal Law 93-647

Federal Law 96-265
Federal Law 96-35

Key Performance Measures for FY2003

Measure:

The total operating budget of the division as compared to the total amount of collections.
Sec 128 (b) (1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

FY01 cost effectiveness was \$5.04 collected for every \$1 spent in operating funds.

-

Benchmark Comparisons:

Although collections increased dramatically in FY01, the cost-effectiveness ratio went down because of increased costs associated with reducing agency backlogs.

-

Background and Strategies:

Automate processes to locate noncustodial parents.

- Increase information on the computer so automated enforcement actions will be taken.
- Utilize automated financial data matches.
-

Measure:

The percentage of current child support collected.
Sec 128 (b) (2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

As of September 30, 2001, the percentage of current child support collected is 51.2%.

-

Benchmark Comparisons:

Per the FFY00 Federal Office of Child Support Enforcement Preliminary Data Report, the national rate for this measure was 56%.

-

Background and Strategies:

Increase contact with paying parents to assure orders are set at accurate amounts.

- Increase outreach to parents for order modifications and vacating default orders.
- Increase the number of interstate cases with direct withholding.
- Increase the number of employers reporting new hires to CSED.
-

Measure:

The number of child support administrative orders and order modifications that are appealed compared to the total number of new administrative orders and modifications issued during the year.
Sec 128 (b) (3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The number of administrative orders and order modifications appealed in FY01 was 13%.

-

Benchmark Comparisons:

Data is not normally reported, making comparisons with other states and entities difficult.

-

Background and Strategies:

Maintain the quality assurance programs in establishment and modifications.

-

Measure:

The number of cases where adjustment is overdue by 30 days or more.
Sec 128 (b) (4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

At June 30, 2001, the number of cases where adjustments were overdue by 30 days or more was 267.

-

Benchmark Comparisons:

- This is a dramatic reduction from last year at the same time when the number of cases where adjustments were overdue by 30 days or more was 3,150. The backlog was more than 6,000 cases in late fall 1999.

Background and Strategies:

- Continue to reduce backlog numbers in the accounting section.

Measure:

The percentage of cases in which there are child support orders.

Sec 128 (b) (5) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

- At September 30, 2001, the number of cases with orders established was 78.0% of total caseload.

Benchmark Comparisons:

- Per the FFY 00 (period ending September 30, 2001) Federal Office of Child Support Enforcement Preliminary Data Report, the national rate for the measure was 61%.

Background and Strategies:

- Increase the number of cases without orders that are closed appropriately.
- Maintain production standards in the establishment section.

Measure:

The number of cases with arrearages that have collections as compared to the total number of cases with arrearages.

Sec 128 (b) (6) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

- At September 30, 2001, the number of cases with arrears that have collections as compared to the total number of cases with arrearages was 68.5%.

Benchmark Comparisons:

- FFY00 data is not yet available. Per the FFY 99 (period ending September 30, 2001) Federal Office of Child Support Enforcement Preliminary Data Report, the national rate for the measure was 54.4%.

Background and Strategies:

- Continue arrearage collection efforts through third-party contractors.
- Maintain community outreach program.

Child Support Enforcement

Component Financial Summary

All dollars in thousands

| | FY2001 Actuals | FY2002 Authorized | FY2003 Governor |
|------------------------------------|-----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 12,507.1 | 11,594.4 | 12,140.3 |
| 72000 Travel | 89.5 | 80.0 | 80.0 |
| 73000 Contractual | 5,573.1 | 6,179.9 | 6,341.9 |
| 74000 Supplies | 158.3 | 166.1 | 168.1 |
| 75000 Equipment | 107.0 | 150.5 | 80.8 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 18,435.0 | 18,170.9 | 18,811.1 |
| Funding Sources: | | | |
| 1002 Federal Receipts | 12,170.5 | 12,252.4 | 12,597.6 |
| 1004 General Fund Receipts | 118.6 | 118.6 | 118.6 |
| 1005 General Fund/Program Receipts | 3,151.6 | 2,960.9 | 3,185.9 |
| 1007 Inter-Agency Receipts | 92.3 | 0.0 | 0.0 |
| 1016 Federal Incentive Payments | 2,553.0 | 2,537.9 | 2,607.9 |
| 1053 Investment Loss Trust Fund | 47.3 | 0.0 | 0.0 |
| 1133 Indirect Cost Reimbursement | 301.7 | 301.1 | 301.1 |
| Funding Totals | 18,435.0 | 18,170.9 | 18,811.1 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2001 Actuals | FY2002 Authorized | FY2002 Cash Estimate | FY2003 Governor | FY2004 Forecast |
|---------------------------------|------------------------|-----------------|-------------------|----------------------|-----------------|-----------------|
| Unrestricted Revenues | | | | | | |
| Unrestricted Fund | 68515 | 4,613.0 | 1,500.0 | 1,500.0 | 1,500.0 | 1,500.0 |
| Unrestricted Total | | 4,613.0 | 1,500.0 | 1,500.0 | 1,500.0 | 1,500.0 |
| Restricted Revenues | | | | | | |
| Federal Receipts | 51010 | 12,170.5 | 12,252.4 | 12,119.9 | 12,597.6 | 12,597.6 |
| Interagency Receipts | 51015 | 92.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| General Fund Program Receipts | 51060 | 3,151.6 | 2,960.9 | 2,960.9 | 3,185.9 | 3,185.9 |
| UA Indirect Cost Recovery | 51115 | 301.7 | 301.1 | 301.1 | 301.1 | 301.1 |
| Federal Incentive Payments | 51378 | 2,553.0 | 2,537.9 | 2,537.9 | 2,607.9 | 2,607.9 |
| Restricted Total | | 18,269.1 | 18,052.3 | 17,919.8 | 18,692.5 | 18,692.5 |
| Total Estimated Revenues | | 22,882.1 | 19,552.3 | 19,419.8 | 20,192.5 | 20,192.5 |

Child Support Enforcement

Proposed Changes in Levels of Service for FY2003

No service changes.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2002 Authorized | 3,079.5 | 15,091.4 | 0.0 | 18,170.9 |
| Adjustments which will continue current level of service: | | | | |
| -Year 3 Labor Costs - Net Change from FY2002 | 54.7 | 261.5 | 0.0 | 316.2 |
| -Year 3 Labor Costs - Fund Change | 52.8 | -52.8 | 0.0 | 0.0 |
| -Delete one-time reappropriation of FY00, Sec 75 CH 61 SLA 2001 | -31.9 | -63.8 | 0.0 | -95.7 |
| Proposed budget decreases: | | | | |
| -Court System's federal reimbursable IV-D expenses less than estimated | 0.0 | -89.7 | 0.0 | -89.7 |
| Proposed budget increases: | | | | |
| -Improved performance gains additional Federal Incentive funds | 0.0 | 70.0 | 0.0 | 70.0 |
| -Caseload Legal Cost Increase | 34.0 | 66.0 | 0.0 | 100.0 |
| -5 New Caseworker Positions needed for current workload | 100.0 | 194.2 | 0.0 | 294.2 |
| -FY2003 State Facilities Rent increase | 15.4 | 29.8 | 0.0 | 45.2 |
| FY2003 Governor | 3,304.5 | 15,506.6 | 0.0 | 18,811.1 |

Child Support Enforcement

Personal Services Information

| | Authorized Positions | | Personal Services Costs | |
|---------------|------------------------------------|----------------------------------|--------------------------------|-------------------|
| | <u>FY2002</u> <u>Authorized</u> | <u>FY2003</u> <u>Governor</u> | | |
| Full-time | 234 | 239 | Annual Salaries | 9,308,471 |
| Part-time | 0 | 0 | COLA | 213,748 |
| Nonpermanent | 0 | 0 | Premium Pay | 23,073 |
| | | | Annual Benefits | 3,482,489 |
| | | | Less 6.81% Vacancy Factor | (887,481) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 234 | 239 | Total Personal Services | 12,140,300 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|--------------------------|------------|-----------|----------|----------|------------|
| Accountant III | 2 | 0 | 0 | 0 | 2 |
| Accounting Clerk I | 5 | 0 | 0 | 0 | 5 |
| Accounting Clerk II | 3 | 0 | 0 | 0 | 3 |
| Accounting Spvr I | 4 | 0 | 0 | 0 | 4 |
| Accounting Spvr II | 1 | 0 | 0 | 0 | 1 |
| Accounting Tech I | 11 | 0 | 0 | 0 | 11 |
| Accounting Tech II | 12 | 0 | 0 | 0 | 12 |
| Accounting Tech III | 1 | 0 | 0 | 0 | 1 |
| Administrative Assistant | 1 | 0 | 0 | 0 | 1 |
| Administrative Clerk II | 3 | 0 | 0 | 0 | 3 |
| Administrative Clerk III | 39 | 0 | 1 | 0 | 40 |
| Administrative Manager I | 2 | 0 | 0 | 0 | 2 |
| Analyst/Programmer III | 3 | 0 | 0 | 0 | 3 |
| Analyst/Programmer IV | 3 | 0 | 0 | 0 | 3 |
| Analyst/Programmer V | 1 | 0 | 0 | 0 | 1 |
| Child Support Manager | 3 | 0 | 0 | 0 | 3 |
| Child Support Spec I | 91 | 4 | 3 | 2 | 100 |
| Child Support Spec II | 19 | 1 | 0 | 1 | 21 |
| Child Support Spec III | 6 | 0 | 1 | 0 | 7 |
| Data Processing Mgr II | 1 | 0 | 0 | 0 | 1 |
| Dep Dir Child Spt Enf | 1 | 0 | 0 | 0 | 1 |
| Division Director | 1 | 0 | 0 | 0 | 1 |
| Internal Auditor II | 2 | 0 | 0 | 0 | 2 |
| Investigator III | 3 | 0 | 0 | 0 | 3 |
| Investigator IV | 1 | 0 | 0 | 0 | 1 |
| Micro/Network Spec I | 1 | 0 | 0 | 0 | 1 |
| Micro/Network Tech I | 1 | 0 | 0 | 0 | 1 |
| Micro/Network Tech II | 1 | 0 | 0 | 0 | 1 |
| Personnel Asst I | 1 | 0 | 0 | 0 | 1 |
| Prog Coordinator | 2 | 0 | 0 | 0 | 2 |
| Supply Technician I | 1 | 0 | 0 | 0 | 1 |
| Totals | 226 | 5 | 5 | 3 | 239 |